

March 11, 1957

State Dept. declassification & release instructions on file 268003-1

SUBJECT: Nuclear Warfare Versus Economic Defense

Basic Reference: London telegram 4451, 21 Feb 1957

EXCERPT

To develop a U.S. position relative to the statement of the President of the British Board of Trade, "while problems arising from China differential considerable in importance, he stressed greater concern prevails within U.K. on overall E-U trade control issues in light of new nuclear warfare developments. Nuclear weapons equipped with long-distance delivery capacity render concept denial non-military material convulsion increasingly obsolete."

BACKGROUND

1. Previous British views on E-U trade.

a. Nuclear Warfare

Although intimations of a new approach had previously been received, it was not until shortly after the Summit Conference in the summer of 1955, that the British made known to the U. S. in bilaterals in London, their view of a "new look" for multilateral controls. The philosophy behind the British reasoning is quoted:

"Nowadays when the military recognized the devastating power of thermo-nuclear weapons and planned in terms of wars of short duration and nearly total destruction of industrial objectives with the initial attack and retaliation, the controls aimed at limiting the acquisition of conventional weapons and of preventing the build-up of the industrial base necessary to support a long-drawn-out war on a global scale, seemed to have even less purpose than had previously been the case. Furthermore, when it was the British judgment that the present controls were of very limited marginal importance in terms of weakening the ability of the Soviet Bloc to wage a war with conventional weapons, it was hard to rebut the case that the present control lists were of even less significance against the new concepts."

In further elaboration, the British continued

"As a general indication of the conclusions towards which they were moving it might be noted that in place

"Scope of problem is limited to the subject of the paper. Basic reference poses additional aspects for which positions need be developed. Underlines added to highlight significant issues."

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of the present criteria for listing items, the British military were, in terms of strictly defense requirements, testing the listing of individual commodities against the consideration of whether their continued control would significantly limit the initial readiness of a potential aggressor to launch an attack with thermo-nuclear weapons or effectively limit the defense of the Soviet Bloc against retaliatory attack of the same sort from the West. Where an item was in the list at present primarily to hamper industrial development useful to the ability of the Bloc to wage conventional war for a long period on a global scale, it would be the British view on the basis of its new concept that such an item should no longer be retained."

In response to a query as to the possibility of limited localized wars being fought with conventional weapons, the British replied that

"the Soviet Bloc had adequate capacity and stocks of conventional weapons so as to be completely beyond the reach of Western controls, which, on the most optimistic appraisal, had had no effect on the Soviet's military capacity. . . . Nonetheless, the British would not propose, in the implementation of their new concept, to remove conventional weapons from the list, or machinery so specialized as to be useful only for producing such weapons or ammunition, or items incorporating advanced military know-how."

It was further stated that, "It was too early to say what changes the British would have to suggest in the control lists, as the matter had not been fully considered by the Ministers," but that "they not only envisaged one list applicable to the entire Communist World, . . . but they also contemplated a reduction in the European control list."

Periodically cables have been received from London referring to the thermo-nuclear concept and indicating that the British were formulating a list based on this approach. To our knowledge no such list has ever been presented to U.S. officials.

b. Non-military Material.

British views regarding non-military material may be considered as set forth in a statement by the U.K. delegation to the CG commenting on criteria:

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"In the United Kingdom view there was no doubt that a substantial reduction in the International Lists was desirable and strategically justifiable in the new circumstances. For example, they believed that the following considerations which were entirely consistent with the criteria in the U.S. paper (OSCON Doc 1563) should be taken into account when deciding on the removal of items for the Lists:

- a. That the item was, or was becoming, self-sufficient, or produced enough of a particular commodity to be able to satisfy its military needs without difficulty,
- b. That though an item made some contribution to military potential, it was of a general-purpose character and was used for military purposes on a small scale in proportion to its civilian use.
- c. That an item served the basic economy of a country and was not closely enough related to military production to justify embargo."

Britain has adopted the position that "controls on East-West trade should be confined to items of strategic importance and should not be used as a weapon of economic warfare." (London telegram 4593, March 1)

## 2. Feasibility of Trade Controls

Britain's case for the elimination of Communist China trade controls as well as revisions to the International controls has in part been supported by publicity given to a possible nuclear war, e.g.

"We are in the era of the thermo-nuclear bomb. War has not become tragic, but preposterous. Plainly the objective now must be to see that such a war does not occur at all." (President Eisenhower)

## U.S. VIEWS ON NUCLEAR WARFARE

### 1. Strategy

Strategy is a product of evolution - - - not of revolution. There can be no questioning the fact, however, that atomic weaponry has speeded up the process and has had far-reaching impact on strategy and concept in recent years. The important thing is that as strategy continues to develop, it must be based on clearly detailed consideration of all factors involved. The principal factors which will



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continue to play a significant role in formulating changes in U.S. strategy from time to time are:

a. National Strategy.

Basically our strategy which recognizes the requirements of national security are different from those which formulated national and military strategy in the past. The basic threat to security is clearly posed by the hostile policies and power, including the growing nuclear power, of the Sino-Soviet bloc, with its dynamic and aggressive Communist ideology and international apparatus.

b. Technological Changes.

The rate of military technological changes within the last decade, as compared to previous periods, has been phenomenal. It is expected that this rate will not only continue, but will be characterized by breakthroughs in a number of areas specifically identified as now having significant growth potential and being essential to the maintenance of a basic deterrent position. The U.S. and its Allies are continuously reviewing the world situation in order to effect the utilization of technological developments and new weapons. A basic deterrent position will be effective only so long as the adversary continues to respect a free world technological advantage and retaliatory capability.

c. Maintenance of Sound National Economy.

This third factor influencing military strategy and posture is an inhibiting influence. It recognizes that security is inextricably bound to collective free world security. Considering the economic factor, military strategy must be based on the strength necessary to deter aggression while continuing to improve the welfare and collectively provide economic support to the free world community.

d. Geography.

The geographic position of the Sino-Soviet bloc is of tremendous military importance particularly when other inherent advantages, such as an almost inexhaustible manpower pool, a controlled economy directed toward military preparedness, ability to operate mainly on interior lines of communication, etc., are considered. The advent of

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ICBM and ICBM weapons in quantity will undoubtedly have great effect on the geographic factor and its influence on strategy.

### c. Geo-political.

The major powers of the free world are committed to a policy of collective free-world security. Individuals having a predominant interest either in military or commercial matters can possibly be criticized for frequently underestimating the value of this collective arrangement to their respective national security and to the sacrifices that are involved.

### 2. Command

War planning considers three types of war: Cold war, military conflict short of general war, and general war. A condition of atomic parity could well result in a condition of mutual deterrence, in which each side would be strongly inhibited from deliberately initiating general war or taking action which might be regarded as materially increasing the risk of general war. Under this condition, military conflict short of general war might become more likely; however, attempts at local expansion will depend in large measure on the bloc's estimate of free world will and deterrent strength. The free world cannot afford to preclude the use of atomic weapons in a future local situation, if such use will bring the aggression to a swift and positive cessation.

General war will remain a possibility. In general war, regardless of the manner of initiation, atomic weapons will be used from the outset. A general war would consist of two phases; an initial phase of comparatively short duration and a subsequent phase of indeterminate duration. The ultimate strategy adopted, as well as the duration and outcome of the subsequent phase, will depend largely on the relative advantage achieved in the initial phase and the remaining relative capability. Thus the minimum objectives during the initial phase would consist of: protection of vital areas and facilities; to insure the initiative, the capability, and freedom of action necessary for subsequent operations; and to inflict such damage on Sino-Soviet bases and facilities supporting atomic attacks, to eliminate the systems of communication and control of the aggressor country, and to break down the basic industrial structure which provides the sinews of war to the enemy forces.

While the nature of a military conflict short of a general war is no more evident than the details of a general war itself, combat operations emphasizing air power, mobility and mobile fire power will play a major role, including the tactical use of missile technology. The employment of all forms of transport will be involved, communications and command problems of extraordinary difficulty and increasing complexity will exist.

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### 3. Requirements

The concept for thermo-nuclear war emphasizes the requirements for forces in-being by the estimate of serious or neutralizing damage to our mobilization potential which would result from the initiation of all-out atomic war. The maintenance of large forces in-being places an economic burden on all countries greatly in excess of that desired for peacetime conditions. The existing cold war conditions and their constant possibility of expansion into more serious military action requires the maintenance of an optimum effective and balanced military and naval capability. It is not so well understood that requirements can no longer be based on the premise of mobilization after war has begun. While the traditional significance of industrial superiority for mobilization after D-Day has been greatly reduced by general nuclear warfare concept, its crucial importance for swiftly exploiting technological changes must now be emphasized. Neither has the strategic importance of the "mobilization base" or the magnitude of overall requirements been diminished by nuclear weaponry, strategy and concept; rather the effect has been to utilize the service and products of the "mobilization base" more extensively during the cold war period in support of force-in-being requirements and technological changes. The constant threat that local war conditions that could expand into more serious military action poses for the "mobilization base" the requirements for meeting stepped-up demands on short notice.

### DISCUSSION

It is agreed that both the United States and Soviets possess the capability to wage an all-out atomic war world-wide. This type of war is considered to have the least probability of occurrence due to the mutually catastrophic effects. Any increase in nuclear capability by either country would tend to further diminish the probability of general war initiated by an all-out atomic attack, although such a war remains a possibility as an unforeseen sequel to cold war or military conflict short of general war.

Recent Soviet military budgets reflect the teachings of modern weapons technology. The budget's failure to specify scientific research outlays and the increase in unexplained expenditures also point to higher covert defense spending. Soviet leaders make no effort to hide these facts; time and again they have referred to "the frantic arms race" with the West.

The North Atlantic Treaty Organization grew out of a recognition of this military threat posed by the Sino-Soviet bloc. Free nations,

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agreeing on both the presence and character of this threat, formally joined forces for collective military defense. These same nations attempting to complement NATO's military program instituted coordinated control over exports to Communist countries. The international economic defense effort was predicated therefore, on the desirability of inhibiting the growth of the threat recognized by NATO. If NATO and COCOM/CHINCOM represent complementary security programs, these programs should be based on the same basic presumptions, however, nowhere does evidence appear that COCOM/CHINCOM ever sought to verify the magnitude and character of the Communist military threat. The competence to assess the security implications of nuclear warfare developments would seem clearly to be with NATO. The conclusion drawn by the President of the British Board of Trade in regard to the impact of nuclear weapons on the efficacy of strategic trade controls cannot be reconciled with strategic planning. NATO should speak directly to this problem for the benefit of the COCOM/CHINCOM organization.

With regard to trade control the British view appears to stem from an undue fear concerning the term "economic warfare". Admittedly, this is a difficult term to define, and it is even more difficult to draw a line of demarcation between "economic warfare" and "economic defense." It is merely a difference of degree in severity of the sanctions used. For example, in international law a blockade is recognized as an act of belligerency, but there is no precedent for considering the trade controls under discussion as an "act of belligerency", though they unquestionably are "unfriendly acts." The present term, "cold war", is a newcomer and there is no body of opinion or interpretation in international law as to what nations might or might not do under such conditions. After all, tariffs, quotas, exchange controls and such have been with us for hundreds of years. Trade control - short of a blockade - may be conceived of as falling within the purview of national security interest during periods of "cold war" without regard to precise strategic/non-strategic division. It would appear that Britain's reticence to use "economic warfare" may be a rationalization of its reluctance to hold back the commercial pressures in that country for trade with the Communist countries.

It is well to note that technically Communist China is still in a state of war with the United Nations and under such circumstances the application of severe economic sanctions can be justified if consideration is given to the underdeveloped state of the Chinese economy and to the desperate measures they have undertaken to speed up their industrial capability for military aggression.

It would be indefensible to maintain that the technological advances of modern concepts of offensive and defensive warfare should not affect the composition of effective international security trade controls. A little experience with missiles will quickly indicate how surprisingly

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such manpower - mostly highly skilled technicians, transport, communications, electronics, chemicals and metallurgy is needed for a substantial backing of military forces by atomic artillery. Nuclear propulsion for the navy means not only new engines but new ships supported by a greatly expanded source of electric power to provide the demand for fuel in addition to the nuclear demands for strategic and tactical weapons.

The Communist threat to the security of the free world is and will be measured by their ability to surpass the current superior deterrent position of the free world. As it is becoming increasingly difficult to distinguish clearly between strategic and non-strategic materials and services, it would appear appropriate to submit a proposal along the following lines to the COMCOM Consultative Groups:

In order to ascertain whether commodities shipped to the Sino-Soviet Bloc are being used for civilian rather than military purposes, agreements should be effected with Sino-Soviet Bloc countries, in conjunction with trade agreements, which would permit inspection teams of COMCOM members to follow up the uses of commodities shipped under the terms of these trade agreements. As a preliminary step to the conclusion of trade agreements, inspection should be exercised as part of the task assigned to COMCOM country trade missions visiting the Sino-Soviet bloc in order to negotiate new trade agreements. Appropriate inspection as to the use made of commodities previously traded should be made one of the conditions under which the trade missions would be willing to conclude new agreements. Any new agreements would depend on positive conclusions that commodities shipped on the basis of earlier trade agreements were not used for military purposes, endangering the security of COMCOM countries.

#### RECOMMENDATION

In view of the persistent reference by the U.K. to a nuclear "new look" for multilateral trade controls, it is important that this concept should be resolved promptly. It is recommended that the U.S. take the initiative and propose that the concept be considered by COMCOM for the benefit of all COMCOM/CHINCOM countries.

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